



Ref. No. CGTMSE /257

February 28, 2025

Credit Guarantee Scheme – I (for Banks)

To all eligible Banks

Circular No.247/2024-25

Madam / Dear Sir,

**Revision in eligibility criteria for registration as
Member Lending Institution (MLI) - Co-operative Banks and RRBs**

Please refer to our Circular No.165 / 2019 – 20, dated September 18, 2019 and Circular No.194 / 2021 – 22 dated February 03, 2022 announcing inclusion of Scheduled Urban Co-operative Banks (SUCBs), Non-Scheduled Urban Co-operative Banks (NSUCBs), State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs) as Member Lending Institutions (MLIs) of CGTMSE. Further a reference is also invited to Circular No.185 / 2021 – 22 dated October 08, 2021, regarding revision in registration criteria and inclusion of Retail Trade – RRBs. It has since been decided to modify the eligibility criteria for SUCBs, NSUCBs, StCBs, DCCBs and RRBs. The revised eligibility criteria is as under:

A. Registration Criteria for SUCBs:

- CRAR as per extant RBI guidelines (12% as on date)
- Net profit during at least 2 out of 3 previous financial years
- Gross NPAs of 7% or less
- No major regulatory and supervisory actions as on date

B. Registration Criteria for NSUCBs, StCBs and DCCBs:

- CRAR as per extant RBI guidelines (9% as on date)
- Net profit during at least 2 out of 3 previous financial years
- Gross NPAs of 7% or less
- No major regulatory and supervisory actions as on date



C. Registration Criteria for RRBs:

- RRBs should have a CRAR in line with extant RBI guidelines (9% as on date)
- Net NPAs below 10% of advances
- No major regulatory or supervisory concerns if any, as indicated in the auditor report
- Net profit during the last completed FY

It may be noted that all other covenants of the Credit Guarantee Scheme – I (for Banks) would apply mutatis mutandis to such guarantee proposals with regard to other operational modalities, etc, as modified from time to time.

The revised guideline shall be applicable from the date of issue of this Circular. The contents of this circular may please be brought to the notice of all your offices.

Yours faithfully,

Sd/-

(Dhiraj Kumar)
Deputy General Manager